H. R. 1486

To provide for a nationally coordinated program of research, promotion, and consumer information regarding kiwifruit for the purpose of expanding domestic and foreign markets for kiwifruit.

IN THE HOUSE OF REPRESENTATIVES

APRIL 7, 1995

Mr. Herger (for himself, Mr. Fazio of California, Mr. Dooley, Mr. Riggs, Mr. Gallegly, Mr. Pombo, Mr. Calvert, Mrs. Seastrand, Mr. Matsui, Mr. Farr, Mr. Condit, Mr. Thornton, Mr. Bishop, Mr. Brown of California, and Mr. Thomas) introduced the following bill; which was referred to the Committee on Agriculture, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide for a nationally coordinated program of research, promotion, and consumer information regarding kiwifruit for the purpose of expanding domestic and foreign markets for kiwifruit.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,

1 SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

- 2 (a) SHORT TITLE.—This Act may be cited as the
- 3 "National Kiwifruit Research, Promotion, and Consumer
- 4 Information Act".
- 5 (b) Table of Contents for
- 6 this Act is as follows:
 - Sec. 1. Short title and table of contents.
 - Sec. 2. Findings and purposes.
 - Sec. 3. Definitions.
 - Sec. 4. Issuance of Kiwifruit Research, Promotion, and Consumer Information Order.
 - Sec. 5. National Kiwifruit Board.
 - Sec. 6. Required terms in order.
 - Sec. 7. Permissive terms in order.
 - Sec. 8. Incorporation of petition and review, enforcement, and investigation provisions by reference.
 - Sec. 9. Referenda.
 - Sec. 10. Suspension and termination of order by Secretary.
 - Sec. 11. Authorization of appropriations.
 - Sec. 12. Regulations.

7 SEC. 2. FINDINGS AND PURPOSES.

- 8 (a) FINDINGS.—Congress finds that—
- 9 (1) domestically produced kiwifruit are grown 10 by many individual producers;
- 11 (2) virtually all domestically produced kiwifruit
- are grown in the State of California, although there
- is potential for production in many other areas of
- the United States;
- 15 (3) kiwifruit move in interstate and foreign
- 16 commerce, and kiwifruit that do not move in such
- channels of commerce directly burden or affect inter-
- state commerce;

- (4) in recent years, large quantities of kiwifruit
 have been imported into the United States;
 - (5) the maintenance and expansion of existing domestic and foreign markets for kiwifruit, and the development of additional and improved markets for kiwifruit, are vital to the welfare of kiwifruit producers and other persons concerned with producing, marketing, and processing kiwifruit;
 - (6) a coordinated program of research, promotion, and consumer information regarding kiwifruit is necessary for the maintenance and development of such markets; and
 - (7) kiwifruit producers, handlers, and importers are unable to implement and finance such a program without cooperative action.
 - (b) Purposes.—The purposes of this Act are—
 - (1) to authorize the establishment of an orderly procedure for the development and financing (through an assessment) of an effective and coordinated program of research, promotion, and consumer information regarding kiwifruit;
 - (2) to use such program to strengthen the position of the kiwifruit industry in domestic and foreign markets and maintain, develop, and expand markets for kiwifruit; and

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1	(3) to treat domestically produced kiwifruit and
2	imported kiwifruit equitably.
3	SEC. 3. DEFINITIONS.
4	As used in this Act:
5	(1) Board.—The term "Board" means the Na-
6	tional Kiwifruit Board, as provided for under section
7	5.
8	(2) Consumer information.—The term
9	"consumer information" means any action taken to
10	provide information to, and broaden the understand-
11	ing of, the general public regarding the consumption,
12	use, nutritional attributes, and care of kiwifruit.
13	(3) Exporter.—The term "exporter" means
14	any person from outside the United States who ex-
15	ports kiwifruit into the United States.
16	(4) Handler.—The term "handler" means
17	any person, excluding a common carrier, engaged in
18	the business of buying and selling, packing, market-
19	ing, or distributing kiwifruit as specified in the
20	order.
21	(5) Importer.—The term "importer" means
22	any person who imports kiwifruit into the United

States.

- 1 (6) KIWIFRUIT.—The term "kiwifruit" means 2 all varieties of fresh kiwifruit grown or imported in 3 the United States.
 - (7) Marketing.—The term "marketing" means the sale or other disposition of kiwifruit into interstate, foreign, or intrastate commerce by buying, marketing, distribution or otherwise placing kiwifruit into commerce.
 - (8) Order.—The term "order" means a kiwifruit research, promotion, and consumer information order issued by the Secretary under section 4.
 - (9) PERSON.—The term "person" means any individual, group of individuals, partnership, corporation, association, cooperative, or other legal entity.
 - (10) PROCESSING.—The term "processing" means canning, fermenting, distilling, extracting, preserving, grinding, crushing, or in any manner changing the form of kiwifruit for the purposes of preparing it for market or marketing the kiwifruit.
 - (11) PRODUCER.—The term "producer" means any person who grows kiwifruit in the United States for sale in commerce.

- 1 (12) PROMOTION.—The term "promotion"
 2 means any action taken under this Act (including
 3 paid advertising) to present a favorable image for
 4 kiwifruit to the general public for the purpose of im5 proving the competitive position of kiwifruit and
 6 stimulating the sale of kiwifruit.
 - (13) RESEARCH.—The term "research" means any type of research relating to the use, nutritional value, and marketing of kiwifruit conducted for the purpose of advancing the image, desirability, marketability, or quality of kiwifruit.
- 12 (14) SECRETARY.—The term "Secretary"
 13 means the Secretary of Agriculture.
- 14 (15) UNITED STATES.—The term "United States" means the 50 States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico. (7 U.S.C. 6202.)
- 18 SEC. 4. ISSUANCE OF KIWIFRUIT RESEARCH, PROMOTION,
- 19 AND CONSUMER INFORMATION ORDER.
- 20 (a) ISSUANCE.—To effectuate the declared purposes
- 21 of this Act, the Secretary shall issue an order applicable
- 22 to producers, handlers, and importers of kiwifruit. Any
- 23 such order shall be national in scope. Not more than one
- 24 order shall be in effect under this Act at any one time.
- 25 (b) Procedure.—

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- 1 (1) PROPOSAL FOR ISSUANCE OF ORDER.—Any 2 person that will be affected by this Act may request 3 the issuance of, and submit a proposal for, an order 4 under this Act.
 - (2) PROPOSED ORDER.—Not later than 90 days after the receipt of a request and proposal for an order, the Secretary shall publish a proposed order and give due notice and opportunity for public comment on the proposed order.
 - (3) ISSUANCE OF ORDER.—After notice and opportunity for public comment are given, as provided in paragraph (2), the Secretary shall issue an order, taking into consideration the comments received and including in the order provisions necessary to ensure that the order is in conformity with the requirements of this Act.
- 17 (c) AMENDMENTS.—The Secretary may amend any 18 order issued under this section. The provisions of this Act 19 applicable to orders shall be applicable to amendments to 20 orders.

21 SEC. 5. NATIONAL KIWIFRUIT BOARD.

22 (a) Membership.—An order issued by the Secretary 23 under section 4 shall provide for the establishment of a 24 National Kiwifruit Board, to consist of 11 members as 25 follows:

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1	(1) Six members who are producers (or their
2	representatives) and who are not exempt from an as-
3	sessment under section 6(b).
4	(2) Four members who are importers (or their
5	representatives) and who are not exempt from an as-
6	sessment under section 6(b) or are exporters (or
7	their representatives).
8	(3) One member appointed from the general
9	public.
10	(b) Adjustment of Membership.—Subject to the
11	11-member limit, the Secretary may adjust membership
12	on the Board to accommodate changes in production and
13	import levels of kiwifruit, so long as producers comprise
14	not less than 51 percent of the membership of the Board
15	(c) Appointment and Nomination.—
16	(1) Appointment.—The Secretary shall ap-
17	point the members of the Board from nominations
18	submitted in accordance with this subsection.
19	(2) Producers.—The members referred to in
20	subsection (a)(1) shall be appointed from individuals
21	nominated by producers.
22	(3) Importers and exporters.—The mem-

bers referred to in subsection (a)(2) shall be ap-

pointed from individuals nominated by importers or

exporters.

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1	(4) Public representative.—The public rep-
2	resentative shall be appointed from nominations sub-
3	mitted by other members of the Board.
4	(5) Failure to nominate.—If producers, im-
5	porters, and exporters fail to nominate individuals
6	for appointment, the Secretary may appoint mem-
7	bers on a basis provided for in the order. If the
8	Board fails to nominate a public representative, such
9	member may be appointed by the Secretary without
10	a nomination.
11	(d) ALTERNATES.—The Secretary shall appoint ar
12	alternate for each member of the Board. An alternate
13	shall—
14	(1) be appointed in the same manner as the
15	member for whom such individual is an alternate
16	and
17	(2) serve on the Board if such member is ab-
18	sent from a meeting or is disqualified under sub-
19	section (f).
20	(e) Terms.—Members of the Board shall be ap-
21	pointed for a term of three years. No member may serve
22	more than two consecutive three-year terms. However, of
23	the members first appointed—
24	(1) five members shall be appointed for a term
25	of two years; and

1	(2) six members shall be appointed for a term
2	of three years.
3	(f) Replacement.—If a member or alternate of the
4	Board who was appointed as a producer, importer, ex-
5	porter, or public representative member ceases to belong
6	to the group for which such member was appointed, such
7	member or alternate shall be disqualified from serving on
8	the Board.
9	(g) Compensation.—Members and alternates of the
10	Board shall serve without pay.
11	(h) GENERAL POWERS AND DUTIES.—The Board
12	shall—
13	(1) administer orders issued by the Secretary
14	under section 4, and amendments to such orders, in
15	accordance with their terms and provisions and con-
16	sistent with this Act;
17	(2) prescribe rules and regulations to effectuate
18	the terms and provisions of such orders;
19	(3) meet, organize, and select from among
20	members of the Board a chairperson, other officers,
21	and committees and subcommittees, as the Board
22	determines appropriate;
23	(4) receive, investigate, and report to the Sec-
24	retary accounts of violations of such orders;

- 1 (5) make recommendations to the Secretary 2 with respect to amendments that should be made to 3 such orders; and
- 4 (6) employ or contract with a manager and 5 staff to assist in administering such orders, except 6 that, in order to reduce administrative costs and in-7 crease efficiency, the Board shall seek, to the extent 8 possible, to employ or contract with personnel who 9 are already associated with State chartered organi-10 zations involved in promoting kiwifruit.

11 SEC. 6. REQUIRED TERMS IN ORDER.

- 12 (a) BUDGETS AND PLANS.—An order issued under 13 section 4 shall provide for periodic budgets and plans as 14 follows:
 - (1) BUDGETS.—The Board shall prepare and submit to the Secretary a budget prior to the beginning of the fiscal year of the anticipated expenses and disbursements of the Board in the administration of the order, including probable costs of research, promotion, and consumer information. A budget shall take effect upon a two-thirds vote of a quorum of the Board and approval by the Secretary.
 - (2) PLANS.—Each budget shall include a plan for research, promotion, and consumer information regarding kiwifruit. A plan under this paragraph

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1	shall take effect upon approval by the Secretary.
2	The Board may enter into contracts and agree-
3	ments, upon approval by the Secretary, for-
4	(A) the development and carrying out of
5	such plan; and
6	(B) the payment of the cost of such plan,
7	with funds collected pursuant to this Act.
8	(b) Assessments.—Such order shall provide for the
9	imposition and collection of assessments with regard to the
10	production and importation of kiwifruit as follows:
11	(1) RATE.—The assessment rate shall be rec-
12	ommended by a two-thirds vote of a quorum of the
13	Board, approved by the Secretary, but shall not ex-
14	ceed \$0.10 per seven pound tray of kiwifruit or
15	equivalent.
16	(2) Collection by first handlers.—Except
17	as provided in paragraph (4), the first handler of
18	kiwifruit shall—
19	(A) be responsible for the collection from
20	the producer, and payment to the Board, of as-
21	sessments under this subsection; and
22	(B) maintain a separate record of the
23	kiwifruit of each producer whose kiwifruit are
24	so handled, including the kiwifruit owned by the
25	handler.

1	(3) Importers.—The assessment on imported
2	kiwifruit shall be paid by the importer to the United
3	States Customs Service at the time of entry into the
4	United States and shall be remitted to the Board.
5	(4) Exemption from assessment.—The fol-
6	lowing persons or activities are exempt from an as-
7	sessment under this subsection:
8	(A) A producer who produces less than
9	500 pounds of kiwifruit per year.
10	(B) An importer who imports less than
11	10,000 pounds of kiwifruit per year.
12	(C) Sales of kiwifruit made directly from
13	the producer to a consumer for a purpose other
14	than resale.
15	(D) The production or importation of
16	kiwifruit for processing.
17	(5) Claim of exemption.—To claim an ex-
18	emption under paragraph (4) for a particular year,
19	a person shall—
20	(A) submit an application to the Board
21	stating the basis for the exemption and certify-
22	ing that the person will not exceed any pound-
23	age limitation required for the exemption in
24	such year; or

1	(B) be on a list of approved processors de-
2	veloped by the Board.
3	(c) Use of Assessments.
4	(1) AUTHORIZED USES.—Such order shall pro-
5	vide that funds paid to the Board as assessments
6	under subsection (b) may be used by the Board—
7	(A) to pay for research, promotion, and
8	consumer information described in the budget
9	of the Board under subsection (a) and for other
10	expenses incurred by the Board in the adminis-
11	tration of an order;
12	(B) to pay such other expenses for the ad-
13	ministration, maintenance, and functioning of
14	the Board, including any enforcement efforts
15	for the collection of assessments as may be au-
16	thorized by the Secretary, including interest
17	and penalties for late payments; and
18	(C) to fund a reserve established under
19	section 7(d).
20	(2) REQUIRED USES.—Such order shall provide
21	that funds paid to the Board as assessments under
22	subsection (b) shall be used by the Board—
23	(A) to pay the expenses incurred by the
24	Secretary, including salaries and expenses of

1	Government employees, in implementing and
2	administering the order; and
3	(B) to reimburse the Secretary for any ex-
4	penses incurred by the Secretary in conducting
5	referenda under this Act.
6	(3) Limitation on use of assessments.—
7	Except for the first year of operation of the Board,
8	expenses for the administration, maintenance, and
9	functioning of the Board may not exceed 30 percent
10	of the budget.
11	(d) False Claims.—Such order shall provide that
12	any promotion funded with assessments collected under
13	subsection (b) may not make—
14	(1) any false claims on behalf of kiwifruit; and
15	(2) any false statements with respect to the at-
16	tributes or use of any product that competes with
17	kiwifruit for sale in commerce.
18	(e) Prohibition on Use of Funds.—Such order
19	shall provide that funds collected by the Board under this
20	Act through assessments may not, in any manner, be used
21	for the purpose of influencing legislation or governmental
22	policy or action, except for making recommendations to
23	the Secretary as provided for in this Act.
24	(f) Books, Records, and Reports.—

1	(1) By the board.—Such order shall require
2	the Board—
3	(A) to maintain books and records with re-
4	spect to the receipt and disbursement of funds
5	received by the Board;
6	(B) to submit to the Secretary from time
7	to time such reports as the Secretary may re-
8	quire for appropriate accounting; and
9	(C) to submit to the Secretary at the end
10	of each fiscal year a complete audit report by
11	an independent auditor regarding the activities
12	of the Board during such fiscal year.
13	(2) By OTHERS.—So that information and data
14	will be available to the Board and the Secretary that
15	is appropriate or necessary for the effectuation, ad-
16	ministration, or enforcement of this Act (or any
17	order or regulation issued under this Act), such
18	order shall require handlers and importers who are
19	responsible for the collection, payment, or remittance
20	of assessments under subsection (b)—
21	(A) to maintain and make available for in-
22	spection by the employees of the Board and the
23	Secretary such books and records as may be re-
24	quired by the order; and

1 (B) to file, at the times and in the manner 2 and content prescribed by the order, reports re-3 garding the collection, payment, or remittance 4 of such assessments.

(g) CONFIDENTIALITY.—

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- (1) In GENERAL.—Such order shall require that all information obtained pursuant to subsection (f)(2) be kept confidential by all officers and employees of the Department and of the Board. Only such information as the Secretary considers relevant shall be disclosed to the public and only in a suit or administrative hearing, brought at the request of the Secretary or to which the Secretary or any officer of the United States is a party, involving the order with respect to which the information was furnished or acquired.
- (2) Limitations.—Nothing in this subsection prohibits—
 - (A) issuance of general statements based on the reports of a number of handlers and importers subject to an order, if the statements do not identify the information furnished by any person; or
 - (B) the publication by direction of the Secretary of the name of any person violating an

- order issued under section 4(a), together with a statement of the particular provisions of the
- 3 order violated by such person.
- 4 (3) Penalty.—Any person who willfully violates the provisions of this subsection, upon convic-
- 6 tion, shall be subject to a fine of not more than
- 7 \$1,000, or to imprisonment for not more than one
- 8 year, or both, and, if a member, officer, or agent of
- 9 the board or an employee of the Department, shall
- 10 be removed from office.
- 11 (h) WITHHOLDING INFORMATION.—Nothing in this
- 12 Act shall be construed to authorize the withholding of in-
- 13 formation from Congress.

14 SEC. 7. PERMISSIVE TERMS IN ORDER.

- 15 (a) Permissive Terms.—On the recommendation of
- 16 the Board, and with the approval of the Secretary, an
- 17 order issued under section 4 may include the authorities
- 18 specified in this section and such additional terms and
- 19 conditions as the Secretary considers necessary to effec-
- 20 tuate the other provisions of the order and are incidental
- 21 to, and not inconsistent with, the terms and conditions
- 22 required by this Act.
- 23 (b) Alternative Payment and Reporting
- 24 Schedules.—Such order may authorize the Board to
- 25 designate different handler payment and reporting sched-

- 1 ules to recognize differences in marketing practices and
- 2 procedures.
- 3 (c) Working Groups.—Such order may authorize
- 4 the Board to convene working groups drawn from produc-
- 5 ers, handlers, importers, exporters, or the general public
- 6 and utilize the expertise of such groups to assist in the
- 7 development of research and marketing programs for
- 8 kiwifruit.
- 9 (d) Reserve Funds.—Such order may authorize the
- 10 Board to accumulate reserve funds from assessments col-
- 11 lected pursuant to section 6(b) to permit an effective and
- 12 continuous coordinated program of research, promotion,
- 13 and consumer information in years in which production
- 14 and assessment income may be reduced. However, any re-
- 15 serve fund so established may not exceed the amount
- 16 budgeted for operation of this Act for one year.
- 17 (e) Promotion Activities Outside United
- 18 STATES.—Such order may authorize the Board to use,
- 19 with the approval of the Secretary, funds collected under
- 20 section 6(b) for the development and expansion of sales
- 21 in foreign markets of kiwifruit produced in the United
- 22 States.

1	SEC. 8. INCORPORATION OF PETITION AND REVIEW, EN-
2	FORCEMENT, AND INVESTIGATION PROVI-
3	SIONS BY REFERENCE.
4	The following provisions of the Lime Research, Pro-
5	motion, and Consumer Information Act of 1990 (subtitle
6	D of title XIX of Public Law 101-624) shall apply to this
7	Act and any order or regulation issued under this Act:
8	(1) Section 1957 (7 U.S.C. 6206), relating to
9	petitions filed by persons subject to an order issued
10	under this Act and review of administrative rulings
11	on such petitions.
12	(2) Section 1958 (7 U.S.C. 6207), relating to
13	violations of any order or regulation issued under
14	this Act.
15	(3) Section 1959 (7 U.S.C. 6208), relating to
16	the authority of the Secretary to make investiga-
17	tions, administer oaths and affirmations, and issue
18	subpoenas in connection with inquiries under this
19	Act.
20	SEC. 9. REFERENDA.
21	(a) Initial Referendum.—
22	(1) Referendum required.—During the 60-
23	day period immediately preceding the proposed effec-
24	tive date of an order issued under section 4, the Sec-
25	retary shall conduct a referendum among kiwifruit
26	producers and importers who will be subject to as-

- sessments under the order, to ascertain whether producers and importers approve of the implementation of the order.
- (2) APPROVAL OF ORDER.—The order shall become effective, as provided in section 4, if the Secretary determines that the order has been approved
 by a majority of the producers and importers voting
 in the referendum and these producers and importers produce and import more than 50 percent of the
 total volume of kiwifruit produced and imported by
 persons voting in the referendum.
- 12 (b) Subsequent Referenda.—The Secretary may 13 periodically conduct a referendum to determine if kiwifruit 14 producers and importers favor the continuation, termi-15 nation, or suspension of any order issued under section 16 4 and in effect at the time of the referendum.
- 17 (c) REQUIRED REFERENDA.—The Secretary shall 18 hold a referendum under subsection (b)—
- 19 (1) at the end of the six-year period beginning 20 on the effective date of the order and at the end of 21 every six-year period thereafter;
- 22 (2) at the request of the Board; and
- 23 (3) if not less than 40 percent of the kiwifruit 24 producers and importers subject to assessments

- 1 under the order submit a petition requesting such a
- 2 referendum.
- 3 (d) Vote.—Upon completion of a referendum under
- 4 subsection (b), the Secretary shall suspend or terminate
- 5 the order that was subject to the referendum at the end
- 6 of the marketing year if—
- 7 (1) the suspension or termination of the order
- 8 is favored by not less than a majority of the produc-
- 9 ers and importers voting in the referendum; and
- 10 (2) these producers and importers produce and
- import more than 50 percent of the total volume of
- 12 kiwifruit produced and imported by persons voting
- in the referendum.
- 14 (e) CONFIDENTIALITY.—The ballots and other infor-
- 15 mation or reports that reveal, or tend to reveal, the vote
- 16 of any person under this Act as well as the voting list
- 17 shall be held strictly confidential and shall not be dis-
- 18 closed.
- 19 SEC. 10. SUSPENSION AND TERMINATION OF ORDER BY
- 20 **SECRETARY.**
- 21 (a) Upon Finding.—If the Secretary finds that an
- 22 order issued under section 4, or a provision of such an
- 23 order, obstructs or does not tend to effectuate the pur-
- 24 poses of this Act, the Secretary shall terminate or suspend
- 25 the operation of such order or provision.

- 1 (b) LIMITATION.—The termination or suspension of
- 2 any order, or any provision thereof, shall not be considered
- 3 an order within the meaning of this Act.
- 4 SEC. 11. AUTHORIZATION OF APPROPRIATIONS.
- 5 There are authorized to be appropriated for each fis-
- 6 cal year such funds as are necessary to carry out this Act.
- 7 SEC. 12. REGULATIONS.
- 8 The Secretary may issue such regulations as are nec-
- 9 essary to carry out this Act.

HR 1486 IH——2